

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 OES-06 SP-02 EB-08 INR-07 L-03
PM-04 NSC-05 ACDA-07 SSO-00 NSCE-00 INRE-00 /055 R

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T:EMCGAFFIGAN

ACDA: CVAN DOREN (INFO)

PM:GVEST

NRC:MGUHHN (SUBSTANCE)

S/P:JKALICKI (INFO)

S/S - MR. GAMBLE

-----060221Z 076148 /73 S

O R 060130Z APR 77

FM SECSTATE WASHDC

TO AMEMBASSY BELGRADE IMMEDIATE

INFO AMCONSUL ZAGREB

USMISSION IAEA VIENNA

C O N F I D E N T I A L STATE 076337

E.O. 11652: GDS

TAGS: ENRG, IAEA, TECH, YO

SUBJECT: KRSKO

REFS: (A) BELGRADE 1894; (B) BELGRADE 1927, (C)
BELGRADE 1951

1. DEPARTMENT HAS CAREFULLY REVIEWED LANGUAGE OF YUGOSLAV
PARAGRAPH 4(C) AS PROVIDED BY KOSTIC ON MARCH 29 (REF A)
TO SEE IF THERE IS ANY BASIS FOR ADAPTING THRUST OF GOY
LANGUAGE TO OUR SUBSTANTIVE REQUIREMENTS. IN FORMULATING
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OUR PROPOSED REVISION OF PARAGRAPH 4(C) BELOW WE HAVE ALSO
TRIED TO TAKE INTO ACCOUNT BERNARDIC'S COMMENTS TO CHARGE
WHICH STRESSED YUGOSLAV INTEREST IN SOLVING PROBLEM OF
SAFEGUARDS IN THE CONTEXT OF INTERNATIONAL AGREEMENTS. WE
BELIEVE THAT THE LANGUAGE IN PARAGRAPH TWO OF CABLE, WHICH
INCORPORATES GOY WORDING THROUGH PHRASE "SHALL BE", FULLY
MEETS THESE YUGOSLAV CONCERNS AND AT THE SAME TIME PROVIDES

THE USG WITH THE SUBSTANTIVE ASSURANCES WE REQUIRE ON
RETRANSFER AND REPROCESSING.

2. PROPOSED REVISION OF PARAGRAPH 4(C). BEGIN TEXT.
IT ENSUES FROM THE TREATY ON THE NON-PROLIFERATION OF
NUCLEAR WEAPONS AND THE AGREEMENTS CONCLUDED BY THE SFR OF
YUGOSLAVIA WITH RESPECT TO THE ESTABLISHMENT OF THE NUCLEAR

POWER PLANT KRSKO THAT ANY PROCESSING OR ANY OTHER
DISPOSITION OF ANY NUCLEAR FUEL OBTAINED THROUGH RADIATION
IN THE NUCLEAR POWER PLANT KRSKO, OR ANY TRANSFER TO ANY
OTHER COUNTRY OF ANY OTHER MATERIAL OR EQUIPMENT WHICH
THE UNITED STATES SUPPLIES FOR THE NUCLEAR POWER PLANT
KRSKO, OR ANY OTHER PRODUCTS OBTAINED THEREFROM, SHALL BE
MUTUALLY AGREED AMONG THE PARTIES TO THE TEXTS OF THE
INSTRUMENTS CONCERNING THE INTERNATIONAL ATOMIC ENERGY
AGENCY'S ASSISTANCE TO YUGOSLAVIA IN ESTABLISHING A NUCLEAR
POWER FACILITY (IAEA DOCUMENT INFCIRC/213). END TEXT.

3. FYI. WE BELIEVE THAT THE EXISTING AGREEMENTS ON
KRSKO, IN PARTICULAR THE AGREEMENT BETWEEN EXIMBANK AND
THE YUGOSLAV CONSORTIUM, PROVIDE THE USG WITH ADEQUATE
ASSURANCE THAT THE YUGOSLAVS WILL NOT TRANSFER ANY
NUCLEAR MATERIALS OR FUEL WHICH WE SUPPLY TO THE KRSKO
PROJECT (BEFORE IRRADIATION OF THE FUEL). OUR REMAINING
CONCERN INVOLVES U.S.DESIRE FOR APPROVAL RIGHTS OVER BOTH
REPROCESSING OF ANY FUEL IRRADIATED IN THE KRSKO REACTOR
AND OVER RETRANSFER OF ANY SUCH IRRADIATED FUEL, AND
ABOVE FORMULATION SATISFIES THESE CONCERNS.
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4. CHARGE SHOULD REQUEST MEETING WITH BERNARDIC SOONEST
AND OFFER THIS REVISED LANGUAGE OF PARAGRAPH 4(C) OF
DRAFT YUGOSLAV NOTE TO IAEA, DRAWING ON PARA ONE ABOVE
IN EXPLAINING THAT WE ARE ATTEMPTING TO RESOLVE THIS
IMPASSE BY DEMONSTRATING THE FLEXIBILITY ON FORM WHICH
WE ASSURED HIM THE US WOULD SHOW. WE TRUST THAT GOY WILL
BE ABLE TO ACCEPT THIS REVISED LANGUAGE IN SAME SPIRIT
SO THAT WE CAN PROCEED EXPEDITIOUSLY TO ISSUE LICENSE FOR
REACTOR AND EARLY FUEL NEEDS.
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Message Attributes

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Sent Date: 06-Apr-1977 12:00:00 am
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Disposition Approved on Date:
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